

LEONARDA JAMAGO SALABE, PETITIONER, VS. SOCIAL SECURITY SYSTEM AND MARINO TALICTIC, IN HIS CAPACITY AS OFFICER-IN-CHARGE AND BRANCH HEAD, SSS-TAGBILARAN CITY BRANCH, RESPONDENTS.

Ponente: QUIJANO-PADILLA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/c3859ea0e769/>

QUIJANO-PADILLA, J.:

This is a Petition for Review[1] under Rule 43 of the Rules of Court seeking to set aside the Resolution[2] dated June 6, 2012 and Order[3] dated June 10, 2013 of the Social Security Commission (SSC) in SSC Case No. 4-18324-08. The assailed resolution dismissed petitioner's petition for validation of SSS membership and resumption of retirement pension benefit for lack of merit while the assailed order denied petitioner's motion for reconsideration.

The Antecedents

The instant case originated from a Petition[4] filed by petitioner Leonarda Jamago Salabe against respondents Social Security System (SSS) and Marino Talictic, in his capacity as Officer-in-Charge and Branch Head of SSS-Tagbilaran City Branch praying for the resumption of her monthly retirement pension which was alleged to be unlawfully cut-off by the respondent SSS based on the allegation that she was not an employee of Ana Macas, her former employer.

The facts declared by the SSC, as supported by the evidence on record, are as follows:

“Petitioner Leonarda Jamago Salabe (with SS No. 06-0618084-5) avers in her petition dated March 31, 2008, that she was employed as helper in the carinderia owned by Ana Macas located at the Jagna Public Market, Jagna, Bohol from August 1978 to February 1979 during which she became a member of the SSS; that immediately after her separation from her employment at the said carinderia, she became a voluntary member credited with a total of 137 contributions; and that upon reaching the age of sixty (60), she received a monthly pension from the SSS which was, however, suspended on the ground that there was allegedly no employer-employee relationship between her and her previous employer, Ana Macas, which eventually resulted in the cancellation of her voluntary membership.

Respondents allege in their Answer dated August 28, 2008, that the records of respondent SSS show that Leonarda Jamago Salabe (SS No. 06-0618084-5) was covered in August 1978 and she became a retiree-pensioner effective November 6, 1993, receiving a monthly pension of P1,584.83 with July 2001 as the date of last payment; that the SSS membership of petitioner's employer, Ana Macas (with ER ID No. 06-1663518-6), was recommended for cancellation based on the Memorandum Report dated April 14, 1989, of the then SSS Provincial Officer Lamberto C. Miel, Jr. stating that Ana Macas could not present proof of employment of her reported employees, despite repeated demands; that since there was no employer-employee relationship between petitioner and Ana Macas as found in said report, the monthly SS contributions remitted during the alleged employment of petitioner have no factual or legal basis and all succeeding payments made by her as a voluntary member upon her separation are, likewise, without legal basis for said payments must be

predicated upon a previous employment where employer-employee relationship had been clearly established; that the affidavits of petitioner and Sabas G. Ranin dated January 14, 2008 and January 23, 2008, respectively, are self-serving because they were taken ex parte and not substantiated by any corroborative documentary proof; that it is incumbent upon the petitioner to prove the fact of her employment by clear and convincing evidence; and that based on the foregoing, the cancellation of petitioner's SS retirement pension was in order.”[5]

On September 9, 2009, petitioner filed her Position Paper[6] while respondents submitted their Manifestation dated August 28, 2009, adopting their Answer as their Position Paper.[7] As summarized by the SSC, petitioner's Position Paper materially states, thus:

“In her Position Paper dated September 9, 2009, petitioner contends that respondent's statement that there was no employer-employee relationship between her and Ana Macas was only based on the alleged investigation conducted by then Provincial Officer Lamberto C. Miel Jr. of SSS Bohol whose findings are embodied in his Memorandum dated April 14, 1989 on a matter that happened in 1978 yet; that the finding of lack of employer-employee relationship was the conclusion drawn by the investigator from the fact that 'the subject firm could not present any proof of employment of its reported employees'; that the business operated by petitioner's employer, Ana Macas, was a mere carinderia which did not ordinarily keep any employment records; that the investigation conducted by said Lamberto C. Miel, Jr. and the report he made were tainted with malice and partiality because he himself was under investigation for a complaint lodged against him, hence, his report is no longer covered by the presumption of regularity and reliability attending an act done in the performance of official duty; that the employees of Ana Macas, including herself, cannot be faulted for any error committed by the employer with respect to their SS coverage; that the fact of petitioner's employment with Ana Macas is attested to by the latter's son, Ceferino Macas and by two (2) disinterested persons, Sabas Ranin and Ricardo Viñalon; and that her testimony with those of her witnesses constitute positive and credible evidence of the existence of employer-employee relationship.”[8]

A clarificatory hearing was conducted on October 5, 2009 wherein petitioner and her witnesses testified. Their testimonies were capsulized by the SSC as follows:

“xxx, petitioner testified that she started working as a helper (dishwasher) in the restaurant of Ana Macas located at Jagna Public Market in August 1978; that it was Ana Macas herself who recruited her to apply for work at the restaurant with a salary of P30.00 per day; that she received her salaries on a weekly basis and sometimes monthly; that she worked from Monday to Saturday at 7 AM to 5 PM (including Sundays if there were plenty of customers); that the restaurant had 4 tables, sometimes 5; that Ana Macas had six (6) employees including herself; that of these six (6) employees, she only knows Florencia Oclida who is now dead; that her work was supervised and checked by Ana Macas herself; that her employment lasted only for five (5) months; that Ana Macas remitted their contributions to Pilo and she had to go to Duero for that purpose or to the hospital owned by a certain Maning (whose family name she could not recall) which the latter frequented; that Pilo advised and convinced her to continue paying her SS contributions after her employment with Ana Macas for medicare purposes; that she knows a lot of people recruited by Pilo who became members of the SSS for similar purpose; and that she was then 45 years old when she worked for Ana Macas.

Ceferino Macas testified that he executed an Affidavit dated April 21, 2008; that his parents, Ana Macas and Vicente Macas, operated a small restaurant (carinderia) located at Jagna Public Market in 1978 near the port area of Jagna where he worked; that his parents had six children namely: Lucia, Alfonso, Borgonia, Rosendo, Emiliana and himself; that their carinderia had six (6) tables because they had a lot of customers (suki); that it also had rooms upstairs where he and some of their helpers stayed; that he is aware that his mother remitted SS contributions for their employees; that he also knows that a lot of people from their place registered themselves as SSS members because they would be automatically covered by medicare; that he personally knows petitioner for they are neighbors and because his mother hired her as a helper in their carinderia; that petitioner

worked as a server and sometimes as a dishwasher, everyday from 7 AM to 5 PM; that after petitioner Salabe stopped working in the carinderia she just stayed at home; that he learned later on that petitioner opted to pay her SS contributions as a voluntary member after six (6) or seven (7) months of employment because his mother's employees worked for short periods only, the longest period being two (2) years; and that in 1970 to 1978, there were about twenty (20) other carinderias operating in the vicinity.

Witness Ceferino Macas further testified that petitioner worked for only 6 to 7 months because she chose to be a self-employed or voluntary member and he learned that she paid the contributions to Pilo Caseñas'; that there were a lot of people who worked in the carinderia of his parents and when they stopped working, they continued paying their SS contributions as self-employed or voluntary member to avail of a pension later; that there were 4 or 5 workers who worked for his mother who were reported to the SSS; that her mother's employees did not reach 10 in any given month; that he heard that there were many in the area who were handling these people (like Atty. Cinco and Linda Cagata) who were reported to the SSS primarily because of medicare; and that when his own parents died, their children/heirs got nothing from the SSS because they were not covered.

Ricardo O. Viñalon, 60 years old, affirmed all the averments in his Affidavit dated January 21, 2008, and further declared under oath that he used to sell and deliver meat at the carinderia owned by Ana Macas where he met the petitioner who worked as a helper thereat; that Ana Macas employed many (different faces) but they worked for a short span of time only; that there were only 2 to 3 on further questioning, 3 to 5 employees in the restaurant as it was not possible to employ 10 to 20 employees because the carinderia was not that big and Ana Macas has children, niece and nephew who stayed and helped in the carinderia; that he himself is covered by SSS as a self-employed member; that he pays his SS contributions to a certain Atty. Adelaido Cinco who informed him that by being a member of the SSS, he could get benefits such as a monthly pension and medicare; and that there were a lot of people who, likewise, paid their SS contributions to Atty. Cinco.”[9]

The Ruling of the SSC

After due proceedings, the SSC issued its assailed Resolution[10] on June 6, 2012 declaring petitioner as not a validly covered member, thus, not entitled to any SSS benefits. The dispositive portion[11] of the June 6, 2012 Resolution reads:

WHEREFORE, the petition is hereby DISMISSED for lack of merit.

The SSS is ordered to demand, within thirty (30) days from receipt hereof, the refund of the monthly pensions paid to petitioner Salabe on account of her “retirement” on November 6, 1993, minus all contributions paid by her, including those she paid as a voluntary member.

In ruling favorably for the respondents, the SSC opined that the evidence adduced by petitioner failed to substantially prove the existence of employer-employee relationship. The SSC noted the inconsistencies in the name (Leonarda A. Jamago) and civil status (widow) of petitioner as reflected in the SSS records from the petitioner's name (Leonarda Jamago Salabe) and civil status (married) as indicated herein. That these inconsistencies, according to the SSC, are material as they raise questions on the identity of petitioner, yet no effort has been made by the latter to make an explanation before the Commission. That even if the SSC simply disregard these inconsistencies, petitioner still has to disprove the findings of the SSS on the supposed absence of employer-employee relationship. According to SSC, petitioner was not a real employee of Ana Macas considering that she could not even state with consistency her period of employment and the names of the old employees on the carinderia except for one Florencia Oclida, who is already deceased. The SSC then concluded that petitioner's “employment” was purely for accommodation in light of the testimonial evidence that the mass reporting of employees done by Ana Macas was essentially for the purpose of enabling these “employees” to avail of pension and medicare benefits.

Petitioner moved for reconsideration[12] but the same was denied by SSC in its Order[13] dated June 10, 2013.

Aggrieved, petitioner filed the present petition raising the following assigned errors:

I.

THE SOCIAL SECURITY COMMISSION GRAVELY ERRED IN DISMISSING THE PETITION THEREBY INVALIDATING PETITIONER'S SSS MEMBERSHIP AND CANCELLING HER sss RETIREMENT PENSION BENEFIT IN VIEW OF THE FACT THAT THE DISMISSAL OF THE PETITION IS BASED ON INSUFFICIENT EVIDENCE AND IS ACTUALLY AN INFRINGEMENT OF THE CONSTITUTIONAL RIGHT OF THE PETITIONER TO DUE PROCESS OF LAW.

II.

THE SOCIAL SECURITY COMMISSION GRAVELY ERRED IN DISMISSING THE PETITION THEREBY INVALIDATING PETITIONER'S SSS MEMBERSHIP AND CANCELLING HER sss RETIREMENT PENSION BENEFIT IN VIEW OF THE FACT THAT THE INVALIDATION OF THE Petitioner's MEMBERSHIP AND Cancellation OF HER PENSION BENEFIT IS A VIOLATION OF THE PRINCIPLE OF EQUITABLE ESTOPPEL.

III.

THE SOCIAL SECURITY COMMISSION GRAVELY ERRED IN DISMISSING THE PETITION THEREBY INVALIDATING PETITIONER'S SSS MEMBERSHIP AND CANCELLING HER sss RETIREMENT PENSION BENEFIT IN VIEW OF THE FACT THAT PETITIONER'S MEMBERSHIP MAY NOT JUST BE INVALIDATED IF THE ssc DEEMS IT EQUITABLE TO PREVENT UNJUST ENRICHMENT ON THEIR PART AND PROMOTE SOCIAL JUSTICE.[14]

This Court's Ruling

The petition is bereft of merit.

The issues, being interrelated, they shall be jointly discussed hereunder.

Findings of Fact Of The SSC Are Given Weight And Credence.

At the outset, it is a well-established doctrine that factual findings of administrative officials and agencies that have acquired expertise in the performance of their official duties and the exercise of their primary jurisdiction are generally accorded not only respect but, at times, even finality if such findings are supported by substantial evidence.[15] The Courts generally accord great respect, if not finality, to factual findings of administrative agencies, because of their special knowledge and expertise over matters falling under their jurisdiction.[16] Such findings deserve full respect and, without justifiable reason, ought not to be altered, modified or reversed. [17]

As such, the findings of fact of administrative agencies, like SSC, are binding upon this Court unless there is a showing of grave abuse of discretion, or where it is clearly shown that they were arrived at arbitrarily or in disregard of the evidence on record.[18] Considering the foregoing principles, this Court have perused the records and found no reversible error in the assailed resolutions of the SSC.

SSC's Findings Are Supported By Substantial Evidence

Firstly, petitioner asserts that her right to due process was violated by the unilateral investigation conducted by the then SSS Provincial Officer Lamberto C. Miel, Jr. and that she was not even furnished a copy of the prejudicial memorandum report until it was attached in the answer filed by the SSS.

We do not agree with petitioner's assertion that the investigation conducted by the SSS Provincial Officer Lamberto C. Miel, Jr. violated her right to due process.

SSS, as the primary institution in charge of extending social security protection to workers and their beneficiaries is mandated by Section 4(b)(7) of RA 8282[19] to require reports, compilations and analyses of statistical and economic data and to make an investigation as may be needed for its proper administration and development. Precisely, the investigations conducted by SSS are appropriate in order to ensure that the benefits provided under the SS Law are received by the rightful beneficiaries. It is not hard to see that such measure is necessary for the system's proper administration, otherwise, it will be swamped with bogus claims that will pointlessly deplete its funds. Such scenario will certainly frustrate the purpose of the law which is to provide covered employees and their families protection against the hazards of disability, sickness, old age and death, with a view to promoting their well-being in the spirit of social justice. Moreover and as correctly pointed out by SSC, such investigations are likewise necessary to carry out the mandate of the SS Law.[20]

Secondly, petitioner assails the findings of the SSC on the absence of employer-employee relationship between the petitioner and Ana Macas.

The mandatory coverage under the SSS Law (Republic Act No. 1161, as amended by PD 1202 and PD 1636) is premised on the existence of an employer-employee relationship.[21] This is evident from Section 9(a) which provides:

SEC. 9. Coverage. - (a) Coverage in the SSS shall be compulsory upon all employees not over sixty (60) years of age and their employers: Provided, That in the case of domestic helpers, their monthly income shall not be less than One thousand pesos (P1,000.00) a month x x x.

Section 8(d) of the same law defines an employee as any person who performs services for an employer in which either or both mental or physical efforts are used and who receives compensation for such services, where there is an employer-employee relationship.[22]

In this case, the finding of no employer-employee relationship between herein petitioner and Ana Macas was based on the investigation conducted by the then SSS Provincial Officer Lamberto C. Miel, Jr. As earlier stated, investigations are but part of the standard procedures conducted by the SSS in order to protect and safeguard its funds.

Moreover, the SSC, after its evaluation of the testimonies of the petitioner and her witnesses, likewise made the following observations, thus:

In this regard, SSS records show that petitioner worked only for some four (4) months, as shown by the R3s submitted by the SSS, in Macas' small restaurant or carinderia with 5 (sometimes 6) tables only. For such a small enterprise, witness Ricardo Viñalon testified that he saw different faces in Macas' restaurant when he was regularly delivering meat thereat because the "helpers" worked for short periods only.

Viñalon's testimony that there were "different faces" employed in Macas' restaurant is corroborated by the SSS records. For a small carinderia operator, Macas submitted on December 12, 1978 (the same year that Salabe was "hired") an SSS Form R-1A listing 12 employees (more than the number of tables that her restaurant had at that time). But in the SSS Form R-3 for the quarter ending in December of 1978, she remitted the SS contributions of a total of twenty (20) employees. There was a significant increase in the number of employees (9) from those listed in the R-3 (11) for the previous quarter (ending September 1978) whose contributions were remitted to the System.

Significantly, of the twelve (12) employees listed in the R-1A, only three (3) were old employees, namely: Eutiquo P. Asido, Sabiniano O. Bahan and Concepcion O. Bahan. This corroborates the testimonial evidence of Viñalon that Macas employed around 3 to 5 employees only. The rest of the reported employees were "new" and had no previous employers. As there were more "employees" than the number of tables that the

small restaurant had, the Commission concluded that a majority of these 20 reported individuals were not really legitimate employees of Macas. Even the petitioners' testimony supports such finding, as she declared that at the time of her employment, there were then only 6 employees, already including herself.

Based on the foregoing, the Commission fully agrees with respondent SSS that a reporting of a person purely for accommodation denotes total absence of employer-employee relationship. In the case under consideration, petitioner Salabe's presence in the carinderia was just a clever tactic to give some semblance of legality to her SS coverage. That she was not a real employee is patent from the fact that she could not even state with consistency her period of employment (August 1978 to February 1979 per the Petition and 5 months commencing in August 1978 per her Affidavit executed on January 14, 2008) and name the old employees in the carinderia except for one Florida Oclida (now dead).

The aforecited facts indubitably show that petitioner Salabe's "employment" was for accommodation, pure and simple, especially, in the light of the testimonial evidence that the mass reporting of "employees" done by Macas (or the other "recruiters" mentioned by the witnesses, i.e., Atty. Adelaido Cinco and Linda Cagata) was essentially for the purpose of enabling these "employees" to avail of pension and medicare benefits from the SSS.

Thus, from the collective evidence on record, it is plain that there was no employer-employee relationship existing between Ana Macas and petitioner Salabe and her reporting to the SS for coverage was not valid. In other words, she is not a bona fide member. Not being a legitimate member of the SSS, she cannot pay voluntary contributions after she stopped working for Macas. This is because a voluntary member is one who is already a covered employee and who has been separated from employment for whatever reason but is allowed to continue paying contributions to maintain his right to full benefit pursuant to Section 11 of the SS Law.

As she was not a legitimate member of the SSS, Salabe cannot be a voluntary member and she had no right to remit voluntary contributions to enable her to enjoy a monthly pension.[23]

We have carefully scrutinized the records of this case and found reason to conform to the conclusions or findings of the SSC as they appeared to be well-supported by the facts and evidence on record. The pronouncements made by the SSC are founded upon its appreciation or evaluation of the documentary evidence offered and its calibration of the testimonial evidence of the parties or their witnesses.

It is worthy to note that petitioner in this case likewise failed to present any documentary evidence to prove her employment. There was no timesheet, pay slip and/or payroll/cash voucher to speak of. Absence of these material documents are necessarily fatal to petitioner's claim of the existence of an employer-employee relationship.

From the foregoing, this Court concurs with the findings of the SSC and found credible evidence to support the contention that petitioner is not a bona fide member of the SSS.

Thirdly, petitioner contends that the SSS can no longer implement the recommendation of the SSS Provincial Officer after more than eleven (11) years since the said investigation report was made and submitted to the Regional Manager of the SSS.

We are not convinced.

As earlier declared, investigations conducted by the SSS are appropriate in order to ensure that the benefits provided under the SS Law are received by the rightful beneficiaries. Certainly, SSS can determine in the exercise of its administrative functions whether a person is qualified to be a member of the System. As the SSS explained, considering its numerous membership, it is impossible for them to conduct an investigation prior acceptance and registration of a prospective member. The earliest possible time that the System can validate the membership of

an SSS member is when a compensable contingency arises and the member applies for an SSS benefit. However, as the SSS is burdened with numerous transactions, there are instances that the validation of membership is only initiated when issues or controversies are brought to its attention and an investigation is conducted by an authorized employee of the SSS, just like in this case. The SSS' acceptance of contributions cannot be construed as an admission of the validity of the membership of a contributing member because the same is still subject to validation and investigation in case of the occurrence of an contingency. To rule otherwise would be detrimental to all bona fide members. As such, it is for these reasons above-stated that the principle of estoppel will not lie against the SSS.[24]

Lastly, contrary to petitioner's assertion, there can be no unjust enrichment on the part of the SSS because as stated in the SSC Resolution dated June 6, 2012, the SSS is ordered to refund the contributions of petitioner and the entire contributions paid by the petitioner will be refunded to her upon the finality of the said Resolution.

WHEREFORE, the instant Petition is DENIED. The Resolution of the Social Security Commission dated June 6, 2012 and its Order dated June 10, 2013 in SSC Case No. 4-18324-08 are hereby AFFIRMED in toto.

SO ORDERED.

Hernando, J., Chairperson and Azcarraga-Jacob, JJ., concur.

[1] Rollo, pages 11-25.

[2] Penned by Commissioner Bienvenido E. Laguesma, rollo, pages 52-59.

[3] Penned by Commissioner Bienvenido E. Laguesma, rollo, pages 65-66.

[4] Rollo, pages 28-30.

[5] See pages 1-2 of SSC Resolution, rollo, pages 52-53.

[6] Rollo, pages 46-48.

[7] See page 3 of SSC Resolution, rollo, page 54.

[8] See page 2 of SSC Resolution, rollo, page 53.

[9] See pages 3-4 of SSC Resolution, rollo, page 54-55.

[10] Supra, at note 2.

[11] See page 7 of SSC Resolution, rollo, page 58.

[12] Rollo, pages 60-62.

[13] Supra, at note 3.

[14] Rollo, pages 14-15.

[15] Republic v. Saldavor N. Lopez Agri-Business Corp., G.R. No. 178895, January 10, 2011.

[16] JA. Z. Arnaiz Realty, Inc. v. Office of the President, G.R. No. 170623, July 9, 2010.

[17] Reyes v. National Labor Relations Commission, G.R. No. 160233, August 8, 2007.

[18] Letran Calamba Faculty and Employees Association v. National Labor Relations Commission, G.R. No.

156225, January 29, 2008.

[19] An Act Further Strengthening the Social Security System thereby Amending for this Purpose, Republic Act No. 1161, as amended, otherwise known as the Social Security Law.

[20] SSC and SSS v. Favila, G.R. No. 170195, March 28, 2011.

[21] SSS v. Court of Appeals, G.R. 100388, December 14, 2000; Chua v. Court of Appeals, 483 Phil. 126, 136 (2004) citing Social Security System v. Court of Appeals, 401 Phil. 132, 141 (2000).

[22] Gapayao v. Fulo, SSS and SSC, G.R. No. 193493, June 13, 2013.

[23] See pages 5-6 of SSC Resolution, rollo, page 56-57.

[24] See Comment (on the Petition for Review), rollo, page 74.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.